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EXDIS

S/S-O PLEASE ALERT AMB SHLANDEMAN

E.O. 12356: DECL:OADR
 TAGS: PREL, PGDV, ETRD, MX
 SUBJECT: PRESIDENT DE LA MADRID MEETING WITH CODEL
 - RICHARDSON: ON TRADE, IMMIGRATION, AND
 - CENTRAL AMERICA

1. CONFIDENTIAL - ENTIRE TEXT.

2. SUMMARY: AT MEETING WITH CODEL RICHARDSON AND
 EMBOFFS (DEC. 6), PRESIDENT DE LA MADRID ADDRESSED
 THE MAIN ISSUES IN U.S.-MEXICO RELATIONS: ECONOMIC
 RECOVERY AND TRADE, IMMIGRATION, AND THE CENTRAL
 AMERICAN PEACE PROCESS. EMPHASIZING THE NEED TO
 INCREASE NON-PETROLEUM EXPORTS AND TO ACHIEVE GREATER
 ACCESS TO U.S. MARKETS, PRESIDENT DE LA MADRID REQUESTED
 CONTINUED COOPERATION AND ASSISTANCE IN RESOLVING
 TRADE ISSUES IN ORDER TO SPEED MEXICO'S ECONOMIC
 RECOVERY. PRESIDENT DE LA MADRID SAID MEXICO MUST
 CREATE MORE JOBS. HE RECOMMENDED A JOINT ANALYSIS
 OF BORDER ECONOMIC AND IMMIGRATION ISSUES.

ON CENTRAL AMERICA, PRESIDENT DE LA MADRID REITERATED
 STANDARD GOM POSITION THAT VIOLENCE BEGETS VIOLENCE
 AND THAT DESPITE THE EFFORTS OF THE CONTADORA GROUP
 THE CENTRAL AMERICAN PEACE PROCESS IS AT RISK. THE
 MEXICAN PRESIDENT SAID THAT NOTWITHSTANDING THE LACK
 OF TRUST BETWEEN THE USG AND THE GRN THE ELEMENTS FOR
 A NEGOTIATED AGREEMENT EXIST, PROVIDED THE NECESSARY
 POLITICAL WILL IS DEMONSTRATED. PRESIDENT DE LA MADRID
 TOLD THE CODEL THAT OPEN SUPPORT OF THE CONTRAS WITH
 FUNDS VOTED BY THE U.S. CONGRESS IS AN EVENT UNHEARD

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OF IN THE HISTORY OF INTERNATIONAL LAW. DE LA MADRID ADDED THAT WERE NICARAGUA TO BECOME A SOVIET BASE SUCH A DEVELOPMENT WOULD BE AS UNWELCOME TO MEXICO AS IT WOULD TO THE USG AND CALLED ON NICARAGUA TO PUBLICLY AFFIRM ITS NON-ALIGNMENT. THE MEXICAN PRESIDENT SAID THAT THE SANDINISTAS HAD PROMISED HIM THEY WOULD CEASE SUPPORT OF REBELS IN NEIGHBORING COUNTRIES ON CONDITION THAT THE USG CEASE ITS SUPPORT OF THE CONTRAS. DE LA MADRID REASSURED CODEL THAT DESPITE THE PROBLEMS IN CENTRAL AMERICA MEXICO REMAINS A LOYAL FRIEND OF THE U.S. AND THAT THE MEXICAN BORDER WILL REMAIN SECURE. END SUMMARY.

3. AT MEETING DECEMBER 6 WITH CODEL RICHARDSON (HISPANIC CAUCUS) AND EMBOFFS, PRESIDENT DE LA MADRID SPOKE ON THE MAIN CONCERNS IN MEXICO-U.S. RELATIONS, MEXICO'S ECONOMIC RECOVERY, AND U.S.-MEXICO TRADE RELATIONS, IMMIGRATION ISSUES, AND THE CENTRAL AMERICAN PEACE PROCESS. PRESIDENT DE LA MADRID OPENED THE MEETING BY REVIEWING HIS ADMINISTRATION'S EFFORTS OVER THE PAST TWO YEARS TO RESOLVE MEXICO'S SERIOUS ECONOMIC CRISIS, EMPHASIZING HIS SUCCESS IN REDUCING THE BUDGET DEFICIT, RESCHEDULING MEXICO'S FOREIGN DEBT, AND NATIONALIZING THE BALANCE OF PAYMENTS; HE NOTED, HOWEVER, THAT SERIOUS PROBLEMS REMAIN. HE STATED MEXICO NEEDS CONTINUED U.S. COOPERATION IN ECONOMIC AREAS AND EMPHASIZED THE NEED TO INCREASE NON-PETROLEUM EXPORTS, ESPECIALLY TO THE U.S. MARKET WHERE MEXICO NEEDS GREATER ACCESS. HE ASKED FOR THE CAUCUS' UNDERSTANDING AND ASSISTANCE IN RESOLVING TRADE ISSUES, ESPECIALLY CVD CASES, WHEN THEY ARISE.

4. CONGRESSMAN RICHARDSON STATED THAT THE HISPANIC CAUCUS UNDERSTANDS THE NEED TO IMPROVE CONDITIONS ALONG THE U.S.-MEXICO BORDER AND IS CONSIDERING INTRODUCTION OF LEGISLATION TO CREATE A FREE TRADE AREA ALONG THE BORDER. HE NOTED ALSO THE NEED FOR JOINT ANALYSIS OF BORDER ECONOMIC PROBLEMS.

5. IN RESPONSE, MMH NOTED THAT A MAJOR GOM INTEREST IS EMPLOYMENT GENERATION THROUGHOUT MEXICO, NOT ONLY IN THE BORDER REGION. HE POINTED OUT THAT HIS ADMINISTRATION HAS MANAGED TO LIMIT EMPLOYMENT REDUCTION DURING THE ECONOMIC CRISIS BUT NOW MUST GENERATE LARGE, NEW EMPLOYMENT THROUGHOUT THE COUNTRY. HE STATED THAT MEXICO SHOULD BE ABLE TO TAKE ADVANTAGE OF U.S. INDUSTRIAL RESTRUCTURING WHICH MIGHT PHASE OUT CERTAIN INDUSTRIES IN THE U.S. THIS MOVEMENT OF U.S. INDUSTRY TO MEXICO

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WOULD ASSIST MEXICO BY CREATING JOBS AND ASSIST THE U.S. CONSUMER BY PROVIDING LOW-PRICED GOODS. HE EXPRESSED AN INTEREST IN A JOINT ANALYSIS, GIVEN THE INTERCONNECTION OF THE TWO BORDER ZONES, OF WHAT MIGHT BE DONE COOPERATIVELY IN THE BORDER REGION.

6. ON THE SUBJECT OF IMMIGRATION, CONGRESSMAN RICHARDSON RAISED THE ISSUE OF THE SIMPSON-MAZZOLI BILL AND ASKED THE MEXICAN PRESIDENT FOR COMMENT. PRESIDENT DE LA MADRID SAID THAT HE WAS GLAD TO SEE THAT THE HISPANIC CAUCUS HAD SEEN FIT TO SEEK HIS OPINION ON A PROBLEM WHICH AFFECTS BOTH MEXICO AND THE U.S. SO PROFOUNDLY.

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DE LA MADRID TOLD THE CODEL THAT THE PROBLEMS OF OUR COMMON BORDER ARE SO VARIED THAT CONTINUED CONSULTATIONS ON BORDER AND IMMIGRATION ISSUES SHOULD BE ROUTINE.

7. ON CENTRAL AMERICA, PRESIDENT DE LA MADRID WAS FIRM IN HIS BELIEF THAT A BELLICOSE ATTITUDE ON THE PART OF ANY OF THOSE INVOLVED COULD ONLY SERVE TO PROVOKE CONFLICT, BELLICOSITY AND MISUNDERSTANDINGS IN THE REGION. THE MEXICAN PRESIDENT TOLD THE CODEL THAT DESPITE THE TIRELESS EFFORTS OF THE CONTADORA GROUP THE RISK OF WIDESPREAD VIOLENCE CONTINUES. PRESIDENT DE LA MADRID WENT ON TO SAY, HOWEVER, THAT THE NECESSARY BASIS EXISTS FOR A SUCCESSFUL NEGOTIATION OF DIFFERENCES BETWEEN THE VARIOUS PARTIES INVOLVED. DE LA MADRID EMPHASIZED THAT IT IS NO LONGER POSSIBLE TO ALLOW THIS DRAMATIC SITUATION TO CONTINUE TO DEVELOP, AND IT IS ABSOLUTELY NECESSARY TO ACHIEVE A DETENTE IN THE REGION.

8. PRESIDENT DE LA MADRID TOLD THE CODEL THAT THE USG ALLEGES THAT NICARAGUA UNDER THE SANDINISTAS IS BEING CONVERTED INTO A SOVIET BASE IN THE REGION. SUCH A DEVELOPMENT, SAID THE MEXICAN PRESIDENT, WOULD BE AS UNWELCOME TO MEXICO AS IT WOULD BE TO THE USG. PRESIDENT DE LA MADRID REPEATED THAT IT IS NECESSARY FOR NICARAGUA TO PUBLICLY AFFIRM THAT IT IS NON-ALIGNED. THE MEXICAN PRESIDENT WENT ON TO SAY THAT THE SANDINISTA LEADERS HAD PERSONALLY ASSURED HIM THAT THEY WERE NOT ALIGNED WITH ANY FOREIGN POWER AND WOULD DECLARE THIS PUBLICLY. PRESIDENT DE LA MADRID ALSO SAID THAT NICARAGUA MUST PROMISE TO CEASE ANY SUPPORT FOR REBELLIONS IN NEIGHBORING STATES. THE MEXICAN PRESIDENT ADDED THAT THE SANDINISTA LEADERS TOLD HIM THAT THEY ARE DISPOSED TO PROMISE SUCH A CESSATION OF SUPPORT FOR NEIGHBORING GUERRILLA MOVEMENTS ON CONDITION THAT THE USG CEASE ITS SUPPORT OF THE CONTRAS. (NICARAGUAN COMMANDANTE RAMIREZ WAS IN MEXICO CITY AND MET WITH PRESIDENT DE LA MADRID EARLIER THIS WEEK.)

9. PRESIDENT DE LA MADRID TOLD THE CODEL THAT THE OPEN SUPPORT OF THE CONTRAS BY THE UNITED STATES THROUGH FUNDS VOTED BY THE U.S. CONGRESS IS AN EVENT THAT IS UNHEARD OF IN THE HISTORY OF INTERNATIONAL LAW. THE MEXICAN PRESIDENT WENT ON TO SAY THAT DESPITE THE ALMOST TOTAL LACK OF TRUST BETWEEN THE USG AND THE GRN THE ELEMENTS FOR A FAIR NEGOTIATED AGREEMENT ARE AT HAND, AND THE DIALOGUE AT MANZANILLO CAN BE BROUGHT TO A SUCCESSFUL CONCLUSION PROVIDED BOTH PARTIES SHOW THE POLITICAL WILL TO DO SO. DE LA MADRID TOLD THE CODEL THAT THEY SHOULD LET THEIR COLLEAGUES IN WASHINGTON KNOW THAT DESPITE THE SITUATION IN CENTRAL AMERICA MEXICO IS A LOYAL FRIEND OF THE U.S. AND THAT THEY CAN REST ASSURED THAT THE MEXICAN BORDER IS SECURE.

10. THE MEXICAN PRESIDENT THANKED CODEL RICHARDSON FOR MAKING THE FIRST FOREIGN TRIP OF THE HISPANIC CAUCUS TO MEXICO AND FOR CONSULTING WITH MEXICO ON THE PRESSING ISSUES OF CENTRAL AMERICA, IMMIGRATION, AND BILATERAL TRADE. (DRAFTED:POL:CCROOK-CASTAN/ECON:RPASTORINO)
BUSBY

END OF MESSAGE

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